



STATE OF CALIFORNIA

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
OUT-OF-STATE OFFICE, SACRAMENTO, CA
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GAVIN NEWSOM
Governor

NICOLAS MADUROS
Director

Date: October 2019

Case ID: [REDACTED]

[REDACTED]
BENSALEM PA 19020 [REDACTED]

STATEMENT OF PROPOSED LIABILITY

YEAR	TAX	INTEREST*	PENALTY	TOTAL
1Q19	\$725,000	\$35,645.84	\$72,500	\$ 833,145.76
2Q19	\$725,000	\$21,750.00	\$72,500	\$ 819,249.92

TOTAL AMOUNT DUE \$1,652,395.68

*Additional interest will accrue on the amount of tax due each month, or fraction thereof, beginning on 12/01/2019.

The California Department of Tax and Fee Administration (CDTFA) previously sent you a Notice of Delinquency dated Aug 27, 2019 and has informed you that Pursuant to Revenue and Taxation Code (RTC) section 6203, Philadelphia Media Exchange Corporation (PMEC) established physical nexus in California when inventory was stored in California-based fulfillment centers. PMEC is engaged in business in California and is required to register and report all retroactive sales taxes based on the date that physical nexus was first established. This registration requirement and responsibility to collect and remit sales taxes will continue until October 1, 2019, at which point all sales conducted through a marketplace facilitator will be required to be collected by the facilitator per the passage of Assembly Bill No. (AB) 147 (Stats. 2019, ch. 5)

To file a return and make a payment online, please visit the CDTFA Online Services page at <https://onlineservices.cdtfa.ca.gov>. Click the *Respond to a Letter/Inquiry* link under *Limited Access Functions* and use the Letter ID and date listed at the top of this letter to proceed.

If a return or payment is not received within 15 days from the date of this letter, a Notice of Determination (billing) may be issued to you, as authorized by Section 6481 of the Sales and Use Tax Law.

If you have any questions relating to this letter, you may contact me at the phone number listed above. Your cooperation is appreciated in resolving this matter.

Sincerely,

Saman Khan
Business Taxes Compliance Specialist
Out of State District Office